UNC Distribution Workgroup Minutes 10:00 Monday 22 February 2024 via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Harmandeep Kaur (Secretary)	(HK)	Joint Office
Andy Clasper	(AC)	Cadent Gas
Ben Mulcahy	(BM)	Joint Office
Catriona Ballard	(CB)	Brookgreen Supply
Charlotte Gilbert	(CG)	BU-UK
Colin Wainwright	(CW)	SGN
Dan Simons	(DS)	Joint Office
David Addison	(DA)	CDSP
David Morley	(DMo)	Ovo Energy
Edward Allard	(EA)	Cadent Gas
Elisa Panciu	(EP)	Corona Energy
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
James Lomax	(JLo)	Cornwall Insight
Julie Chou	(JC)	Wales & West Utilities
Josie Lewis	(JL)	CDSP
Kathryn Adeseye	(KA)	CDSP
Louise Hellyer	(LH)	Total Energies Gas & Power
Mark Jones	(MJ)	SSE
Matt Marshall	(MM)	Cadent Gas
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSu)	Wales & West Utilities
Tracey Saunders	(TS)	NGN

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore, it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: https://www.gasgovernance.co.uk/Dist/220224.

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting.

RHa noted that Modification 0843 will be discussed in this meeting, and it will also be discussed in the Workgroup Meeting at 13:00 on 6 March 2024. RHa noted that the timing of the meeting on 6 March 2024 has been changed recently and the Joint Office calendar will be updated to reflect this.

1.1. Approval of Minutes (25 January 2024)

The minutes from 25 January 2024 were approved.

1.2 Approval of late papers

RHa advised that no papers for the meeting had been submitted late.

1.3. Review Outstanding Actions

0101: Joint Office (RHa) to liaise with ER regarding the IGT metering concerns and to consider how best to address at the next meeting.

Update: Ellie Rogers (ER) advised that this action was raised further with a query from Steve Mulinganie (SM) regarding the IGT concerns and the best forum for discussing these. ER advised that further to internal discussions at CDSP, they intend to discuss the IGT metering concerns at the DSC Contract Management Committee scheduled for 20 March 2024. CDSP will then facilitate a discussion between the interested parties which will be IGT and Shippers to provide low-level detail. They are not proposing to go into a lot of detail as it will not relate to a Code Change.

Closed

1.4. Modifications with Ofgem

The Chair advised that a report was available on the Ofgem website at https://www.ofgem.gov.uk/publications/code-modification-modification-proposals-ofgem-decision-expected-publication-dates-timetable dated 23 February 2024 and shows the expected decision dates for all Modifications currently awaiting an Ofgem decision.

- UNC831- Modification 0831 was rejected by Ofgem on 6 February 2024.
- UNC819- Modification 0819 was approved for implementation by Ofgem on 9 February 2024. The IGT equivalent of this Modification, IGT168, has also been approved for implementation at the same time.
- UNC856 and UNC859- The decision dates for Modifications 0856 and 0859 are yet to be confirmed.
- **IGT169-** Ofgem have confirmed that the decision date for *IGT169*, which is the equivalent of UNC Modification 0701, has been brought forward to 1 April 2024.

1.5. Pre-Modification discussions

No Pre-Modifications were brought forward for discussion.

2. CSS REC Consequential Changes Update

David Addison (DA) provided an update on REC Changes being considered currently.

R0067- DA noted that the implementation of REC0067 in December 2023 resulted in several issues. DA confirmed that CSS implemented a fix to these issues on 8 February 2024 and the fix did not cause any operational issues with the existing code. DA noted that the Re-send Functionality should be within the CDSP systems, however, this has not been manually tested yet. CDSP's Operational Team is considering how a manual trigger of that re-send can be done because they do not want it to fail when the need arises. DA confirmed that there will be a further CSS patch fix at the end of March 2024 and CDSP is enquiring what the functionality of this fix will be. DA noted that this update has been a good pipe-cleaning exercise and CDSP will be conducting a lessons-learned process with REC.

Derogation- DA advised that there is a rule within the REC which means that a terminated site cannot be switched. DA explained that with large portfolio reconciliation and transfers between parties, CDSP is finding some sites being stranded within the outgoing shipper portfolio. DA noted that if the shipper exits the market, the site cannot be switched to the party that has taken over.

DA explained that CDSP sought a derogation to be able to change the Supply Meter Point status, however, the derogation has a limitation, therefore, CDSP is looking into a registration solution which would mean that it is not changing the Supply Meter Point status. DA suggested that CDSP is given the capability to force the activation of terminated sites with the relevant checks in place to ensure that an active site is not terminated. DA proposed adding the CDSP responsibility in UNC using CDSP Forced Confirmation as a precedent.

SM noted that he understood the concept while that the relevant checks and balances will be needed in the text and stated that the Business Rules need to be clear. SM noted that a Modification will need to be sponsored for the change and queried whether the Business Rules will be circulated ahead of the next Distribution Workgroup Meeting for review. DA confirmed that the Business Rules will be circulated ahead of the next Distribution Workgroup meeting which is scheduled for 28 March 2024.

Tracey Saunders (TS) queried the purpose of adding the change to the UNC. DA explained that the UNC currently prohibits the transfer of portfolios when a shipper no longer exists which effectively means that the party which would normally undertake the action is no more.

SM agreed with DA's suggestion for a change and noted that it is important that the change is codified.

Implementation of Modification 0855 (XRN5675) - DA raised two questions in relation to the implementation of Modification 0855.

Q1: Are the below timescales acceptable to DSC Parties, or should CDSP look to issue the Meter Readings earlier so that they can bring forward the invoice adjustments?

The ability to load the approx. 80k Meter Readings into UK Link as is necessitated by the CSS P1 Incident will only be available after the technical implementation of XRN5675. XRN5675 implementation is scheduled for a June 2024 Release. As a consequence, Meter Readings will be loaded to UK Link in July 2024 and communicated to Shippers. In turn, the period to allow for Replacement Readings will run until the end of October 2024, with the adjustments calculated in November and issued no later than January 2025. The Modification is silent on the means but once the Reading is loaded into UK Link, CDSP had planned to issue the Readings to Shipper A by the MR Bill Read File, and to B via email. This was set out in the detailed design change pack issued (https://www.xoserve.com/media/hz4fr1wl/32135-vo-po-xrn5675-detailed-design.docx).

If an alternative solution is required to bring forward adjustments, CDSP would look to re-issue the Meter Readings via email to A and B, and offer a period following XRN5675 implementation to allow the replacement of Meter Readings by Shipper A.

DSC Change Management Committee will be invited to vote on the above timeline which CDSP will follow, unless the Committee asks CDSP, by way of vote, to issue the Meter Readings in advance of the implementation of XRN5675.

Q2: Do DSC Parties want the CDSP to re-estimate the Meter Reading for the "applicable Intended Registration Date" for Supply Meter Points impacted by the CSS P1?

Within Modifications 0855 and 0836S, the CDSP is required to estimate NDM Meter Readings for the "applicable Intended Registration Date" in accordance with M5.4.2, which was performed for the Meter Readings issued in August 2023. Subsequent to this estimate being issued in August, Meter Readings may have been replaced or inserted which would mean a different estimated Meter Reading would be estimated if this process is performed at XRN5675 implementation.

CDSP would recommend that when the Meter Readings are issued as part of XRN5675 they RE-ESTIMATE this Meter Reading to take account of any valid Meter Reading that has been received after the Original Estimate being issued. This will ensure that the Reading History is aligned, and it eliminates the low likelihood risk of validation failures.

CDSP welcomes Shipper views as they may have already used the Meter Readings provided for their own processes (such as end consumer billing), so may prefer to instruct CDSP not to reestimate the Meter Readings.

Unless counter views are received then CDSP will re-estimate the Meter Reading prior to communication to Shippers.

3. Workgroups

3.1. 0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert

(Report to Panel 18 July 2024)

https://www.gasgovernance.co.uk/0843

3.2. 0862 – Amendments to the current Unidentified Gas Reconciliation Period arrangements

(Report to Panel 16 May 2024)

https://www.gasgovernance.co.uk/0862

3.3. 0851R - Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window

(Report to Panel 18 July 2024)

https://www.gasgovernance.co.uk/0851

3.3. 0863 - Erroneous Transfers Exception Process

(Report to Panel 16 May 2024)

https://www.gasgovernance.co.uk/0863

The Proposer requested that the Workgroup for Modification 0863 be carried forward for a couple of months. To be reviewed again on 23 May 2023.

4. Distribution Workgroup Change Horizon

Please note that the specifics of this report can be reviewed at https://www.gasgovernance.co.uk/Dist/220224; as such, they are not replicated here.

Josie Lewis (JL) provided an overview of the presentation slides to the Workgroup noting that there are only a few short updates.

- Modification 0811S is due to be delivered on 24 February 2024.
- Modification 0819 was approved by Ofgem on 9 February 2024 and CDSP's indicative date of delivery is November 2024.
- Modification 0842 was recommended by the Panel on 15 February 2024 and is now with Ofgem for approval.
- Modifications 0831 and 0831A have been rejected by Ofgem.

5. Product Class Review

ER provided an update to the Workgroup, noting that they have made progress on this. ER explained that JL has been working to pull the draft request and the supporting information pack together so that these are ready for when the Modification is raised. ER confirmed that the initial request for a proposer has been shared with the interested parties and they plan on submitting a pre-modification request at the March Distribution Workgroup meeting, however, at this stage, they do not have a confirmed proposer.

6. Issues

No issues were raised.

7. Any Other Business

7.1. IGT meter concerns - CDSP update

Please refer to item number 1.3 for the update.

7.2. Theft process – post 0734S clarification

ER provided an update in relation to the Theft process, explaining that Modification 0734S was implemented in April 2023 which introduced a new process to ensure that confirmed valid theft claims received from suppliers are reported in the central system. ER explained that within the theft claims, there are claims with 0 or 1 value. The process for claims with a 0 value is noted in the Code and advises that in the absence of an objection from the shipper, these claims are logged without any adjustment.

ER noted that although claims with a value of 1 are not in the code, CDSP believes that these claims are valid. These claims are rounded to zero and using the same process as claims of 0 value, the claims are logged and closed without any adjustment, as long as there are no objections from the Shipper.

ER noted that CDSP wanted to bring the process to people's attention for their awareness.

For further details, please refer to the published slides at: https://www.gasgovernance.co.uk/sites/default/files/ggf/2024-02/6.%20Theft%20process%20post%20Mod0734%20-%20Clarification%20-%20Feb%2024.pdf

8. Diary Planning

Further details of planned meetings are available at:

https://www.gasgovernance.co.uk/Dist

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 28 March 2024	5 pm Wednesday 20 March 2024	Microsoft Teams	 Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
10:00 Thursday 25 April 2024	5pm Wednesday 17 April 2024	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup

	Distribution Workgroup Action Table								
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update			
0101	25/01/2024	7	RHa to liaise with ER regarding the IGT meeting invite and to consider how best to address the IGT meeting for the next meeting.	January 2024	RHa	Closed			

UNC Workgroup 0843 Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert

Wednesday 22 February 2024 via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Ben Mulcahy (Secretary)	(HCu)	Joint Office
David Morley (Proposer)	(DMo)	OVO Energy
Anne Jackson	(AJ)	PAFA/Gemserv
Andy Clasper	(AC)	Cadent
Catriona Ballard	(CB)	Brook Green Supply
Charlotte Gilbert	(CG)	BU UK
Colin Wainwright	(CW)	SGN
Dan Simons	(DS)	Joint Office
David Addison	(DA)	Xoserve (CDSP)
Edward Allard	(EA)	Cadent
Elisa Panciu	(EP)	Corona Energy
Ellie Rogers	(ER)	Xoserve (CDSP)
Harmandeep Kaur	(HK)	Joint Office
James Lomax	(JL)	Cornwall Insight
Josie Lewis	(JL)	Xoserve (CDSP)
Katheryn Adeseye	(KA)	Xoserve (CDSP)
Louise Hellyer	(LH)	Total Energies
Mark Jones	(MJ)	SSE Energy Solutions
Matt Marshall	(MM)	Cadent Gas
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy UK
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TSa)	Northern Gas Networks

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate/include detailed content provided, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: https://www.gasgovernance.co.uk/0843/220224.

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2024.

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting.

1.1 Approval of Minutes (25 January 2024)

The minutes from 25 January 2024 were approved.

1.2 Approval of Late Papers

There were no late papers for this meeting.

1.3 Review of Outstanding Actions

0101: RHa to investigate references regarding what happens if UNCC approval has not been obtained.

Update: RHa advised the Workgroup that enquiries were underway and that the aim was to provide feedback in the next Workgroup, scheduled for 06 March 2024.

Action carried forward.

2. GDN Analysis of ISE Appendix Analysis

Tom Stuart (TSt) was invited to present the paper provided on behalf of the GDN constituency that detailed their commentary on the studies listed within Appendix 1 as academic papers on methane measurement. The GDN paper, in the form of an Excel spreadsheet, details each study/paper listed and provides an entry-by-entry GDN response to each. It can be referenced in the 25 January 2024 Workgroup meeting paper pack published on the Joint Office website at www.gasgovernance.co.uk/0843/250124 entitled "4.0 ISE Appendix Analysis – All GDNs V2". TSt talked the Workgroup through the spreadsheet, reading each response in turn.

Whilst reviewing the GDN responses TSt identified the commentary in Cell C9 as incomplete notes for himself, making reference to the GDN Digital Platform for Leakage Analytics (DPLA) project, which RHa advised Workgroup Participants Cadent would be providing an update on in the next UNC Shrinkage Forum on 18 March 2024 (see www.gasgovernance.co.uk/SF/180324)

The cell C9 also included the note "*Trigger* (delta in temp) surveys and winter trigger (below 0C) surveys" which TSt explained referred to the practice of specified registered temperatures being the trigger for engineers to be sent to proactively survey gas mains for leakages. RHa asked if this practice was true of all GDNs, which Colin Wainwright (CW) confirmed, adding that the procedures including variables such as tracking temperatures over 12 and 24-hour periods and taking into account pipeline specifications, verifying RHa's supposition that this included considerations such as the materials and sealants used.

David Morley (DMo) acknowledged the feedback from the GDNs and advised the Workgroup that the intention of providing the references in Appendix 1 was not so much as to underpin or fully rationalize the Modification but to provide a wider view of the challenges faced with Methane emissions. RHa suggested that, in light of that intention, it was probably worth adding a paragraph before the Appendix providing such context.

Tracey Saunders (TSa) noted that the opening paragraphs of the Modification Summary on page 3 refers to Appendix 1 whilst making the case that Shrinkage is continually underreported by the GDNs. TSa asked that this commentary be amended to be consistent in the understanding that the appendix is not provided in the context of being evidence that shrinkage is flawed.

RHa acknowledged this and asked DMo to review the Modification to ensure any references to Appendix 1 are consistent with the context just shared in this Workgroup. DMo agreed, stating he had already undertaken this exercise within the next version of the Modification, and that this was the only reference within the document that required the change.

New Action 0201: DMo to ensure messaging as to the intent of the inclusion of Appendix 1, being to reflect the wider challenges of Methane emissions, is consistent.

Steve Mulinganie (SM) asked how best to weave this GDN Commentary into the later Panel considerations, presuming it would be added to the Workgroup Report (WGR), though not so much as a table but potentially as text detailing the parties' narrative and counter-narrative cases. RHa agreed that it was indeed best to put such references within the WGR and asked that an Action be recorded for the GDNs to consider as to what should be added for which DMo can then add a further rebuttal or response.

DMo thanked the Workgroup for its contributions and summarised that his understanding was that an equal and relevant comment would be placed against each within the WGR to facilitate a Modification Panel decision, adding his support for providing full insight to enable the correct decision. RHa asked DMo if he would provide responses to the GDN commentary, which he believed he had already produced, though he thought it was likely for an earlier meeting that was subsequently cancelled so he committed to reviewing his documents and ensuring a copy was forwarded to the Joint Office.

TSt asked if it was acceptable for the text commentary the GDNs would provide could be itemised for each study included, effectively collating Columns B and C in the current spreadsheet, and then enabling the counterarguments to do the same, feeling that responding collectively in a single paragraph would be too generalised. RHa agreed with the value of doing so and committed to discussing this further with DMo as the Proposer.

New Action 0202: GDNs to provide collated text commentary responses to the studies referenced within Appendix 1 for inclusion within the WGR

New Action 0203: RHa to discuss with DMo the format and structure for the inclusion of GDN Commentary on Appendix 1 studies within WGR and DMo's subsequent responses.

3. Amended Modification

RHa highlighted that a draft change-marked copy of the Modification, provided by DMO, had been published on the Joint Office webpage for this meeting, for Workgroup review and consideration (www.gasgovernance.co.uk/0843/220224). A 'clean' copy was also available in which these proposed changes had been accepted as an insight as to how the Modification would appear should these changes be included unaltered in the next version of the Modification.

The Workgroup briefly revisited the fact that the commentary within the Summary alluding to Appendix 1 needed reconsidering in light of the stated purpose of Appendix 1, with TSa noting additional references on Pages 3 and 5. Rha confirmed that this was for DMo to consider.

DMo provided a context to the changes, stating that many were the result of discussions between himself and David Mitchell (DMi) of SGN (the Legal Text provider for this Modification) after DMi had a detailed discussion with his appointed lawyers. Consequently, as a result of the agreed approach to the Business Rules (BRs), a lot of revisions were made where statements were cut out of the BRs to become instead 'for the avoidance of doubt' statements, and as such, much of the changed content, DMo explained, was moved material rather than new or removed. He added that the second main driver for the changes was that some aspects originally given as BRs had been identified as contractual for the ISE in a manner similar to the AUGE.

DMo then provided a review of the Changes, starting at Section 5, the Solution.

He advised that the Mission statement had been relocated further down in the section under 'Further solution notes' and the definitions originally under 2.2 were now moved to the Glossary that featured in the same section.

DMo also noted that the BRs, particularly BR5, now had Ofgem approval removed and had moved to a 'disapproval' model in alignment with TPD N 3.1.8.

Sally Hardman (SH) voiced concern that the disapproval mechanism that currently exists was within a Licence obligation and did not sit within the UNC, and as such she was not convinced it would work, noting it still was placing a requirement on The Authority to provide an action, albeit a negative rather than positive one. DMo responded that he believed Ofgem could still execute disapproval irrespective of being in the Licence. SH noted that The Authority would be required to respond within a timeframe to provide such disapproval, asking if the premise was that if no response was provided would this be considered, in effect, approval. DMo confirmed it was, noting that this was the same as the existing mechanism in Shrinkage.

TSa reflected that Shrinkage was a Licence process that Ofgem themselves had produced, adding that in her experience any Modification that was deemed to place an obligation on Ofgem was rejected on principle, and cited as an example UNC Modification 0760 - *Introducing the concept of a derogation framework into Uniform Network Code (UNC)*, (www.gasgovernance.co.uk/0760), which she had proposed, and was subsequently rejected by the Authority, in part, due to proposing time limited obligations on Ofgem. She suggested that it was advisable to avoid including stipulations that had led to rejections in the past.

DMo shared that he had sought commentary from Ofgem, and they had responded that as far as agreeing on timescales, it was not clear if they would agree or not to any without further consultation. As such DMo suggested it was not beholden on the Workgroup participants as to whether Ofgem would or would not accept this. He further added that on this basis, he would not look to go back to Ofgem and would leave the matter as is. RHa advised that she add a note in the WGR that the obligation may trip up the Modification.

Katheryn Adeseye (KA) stated that, whilst mindful of the conversations already had around Ofgem timelines, from a CDSP perspective when considering BR5, they would need to know what values to upload 10 Business Days (BD) before the first day of the formula year, and with that in mind, the BR needed to state this 10BD requirement, as it was not practicable to wait to the start of the formula year. RHa asked to clarify if the CDSP was asking for the 10BD requirement currently stated at the end of BR5 thus needed to be included in the process breakdown given earlier in the BR.

KA explained that if the CDSP is provided with the values to be used 10BD before, as requested, they would need to commence the process of implementing them, but if Ofgem were then, in mid-April, to disapprove, then the CDSP would then have to undo the changes made, which, she explained, they can consider developing a process for if this was a potential scenario intended, but it strengthened the case for a new Rough Order of Magnitude (ROM) be produced. She added that the CDSP were already conscious that the original ROM had been created in October 2023 and were aware of the many developments since then, so they were mindful of the case for a new ROM anyway.

RHa checked her understanding that ROMs had a six-month life expectancy as standard. Ellie Rogers (ER) confirmed this was stated on all ROMs issued, and added to manage Workgroup expectations that producing a new ROM did not in itself mean everything within it would change.

KA shared that she had already raised the 'disapproval' considerations and BR5 with SME colleagues within the CDSP and was awaiting their feedback, adding that because of the time that has passed it would be sensible to do another ROM, irrespective of that feedback. ER reiterated that the new ROM could prove very little changed from the original, but it was an advisable step to take.

RHa stated that the next ROM should be based on version 11 of Modification 0843 and that if the CDSP wanted the 10BD lead time specified earlier in the BR they should wait for the Proposer to make that change. DMo commented that executing disapproval mirrors the Shrinkage model and believed it put the least amount of obligation on Ofgem and was thus minded to leave the text as it was. ER acknowledged this and the perception that this was therefore an existing concept, adding that the CDSP would consider the matter to ensure it is reflected in the ROM, affirming that this principle was not in the original ROM.

Licence Changes Required?

RHa added the text from Licence Condition 3.1.8 and related Condition A11(8) was then added to the meeting chat functionality to assist with Workgroup with context. In doing so RHa shared her awareness that, in contrast, Modification 0843 did not have a Licence condition:

3.1.8 The LDZ Shrinkage Quantity for each LDZ applicable to the Formula Year shall be the estimate submitted under paragraph 3.1.7 unless upon the application of the Transporter or any User, made no later than 15 March, the Authority shall give Condition A11(18) Disapproval to the Transporter applying a particular estimate of the LDZ Shrinkage Quantity, in which case the LDZ Shrinkage Quantity in the relevant LDZ shall be that applying in the Preceding Formula Year.

A11 (18) Where a provision of the network code prepared by or on behalf of the licensee(excluding the terms of the uniform network code incorporated within it) and/or the uniform network code requires that, in circumstances specified in the provision, a determination by the licensee pursuant to that provision in a particular case should be such as is calculated to facilitate the achievement of the relevant objectives, any question arising thereunder as to whether the licensee has complied with that requirement shall be determined by the Authority

SM asked if an opinion had been obtained from Ofgem as to the appropriateness of BR5 regarding the Licence obligations in 3.1.8, stating that he shared the concerns that Ofgem would refuse to be held to targets in the Code by approval, tacit or otherwise, meaning the Modification would just fail. DMo commented that such provisions already existed in the Licence, so it would be a change, not an addition, that would be needed to be considered by Ofgem in approving the Modification. When SM asked if a 'minded to' position could be sought from Ofgem DMo stated that whilst he could approach them again, he expected he would get the same response as before.

SM then asked if the Modification was rejected by Ofgem on this basis, was it possible to simply remove BR5 and retain the functionality of the rest of the Modification rules, with BR5 proving, in effect, self-contained.

RHa shared her understanding that there were other Licence change considerations beyond BR5. TSa agreed, highlighting that should ISE values prove negative there was no way in the GDNs current Licences they could account for this, explaining that the Shrinkage methodology was based upon a set formula specified within the Licence affording no flexibility.

DMo commented that Negative ISC Values were indeed covered by BR6 adding that there was no purchasing requirement featured there. TSa noted that BR6 states that negative ISC can be applied by the GDNs as part of SLM, but without a Licence Change, GDNs would not be able to enact this. DMo stated that he would change this wording from 'can' to 'might' as this was not a Licence change called out in the Modification.

RHa summarised that there appeared to be three BRs that had potential Licence changing areas, BR5, BR6 and BR8 and that the WGR would state that Workgroup Participants considered these areas needed consideration of changes to the Licence.

DMo continued to review changes to the Modification's text, noting that 2.1.2 was a legacy numbering that he would remove.

In BR 2.3 he removed the 'recommending to the Authority' text.

BR 2.4 now condensed three rules into one, in that it flowed into BR2.5 and states there would be an annual review of the ISM.

ER added for clarification that where this text states the ISE would adhere to the timetable in the Framework, it was worth noting that the ISE would not be a UNC party and thus would be obligated via the commercial contract that would be in place with the CDSP, with the requirement therefore on the CDSP to ensure that is backed off and aligned to the obligations in the Framework. DMo suggested that BR2.4 should state that the CDSP will ensure the commercial contract aligns, which ER agreed with.

At this point in the proceedings, and aware of time constraints, RHa advised the Workgroup that after completing this review of the changes to the Modification's text all other items on the Workgroup Agenda would be deferred to the next meeting on 06 March 2024.

DMo advised that the principles featured previously in BR 2.5 had been moved as they were not legal text requirements. Conversely, BR3 was new and specified Liability arrangements, mirroring those for the AUGE under TPD Section E9.3

DMo advised that the previous BR3 text regarding Methodologies had been moved to the Framework but that he had kept the part regarding costs as he did not think this could transition as Solution Notes or to the Framework either. ER noted that from the CDSP perspective, they were aware of the rules about cost recovery and ensuring contracts are legal and that they felt they made sense for an entirely new service.

DMo advised that BR3.5 related to contractual considerations and was therefore better served in the contract rather than the BRs so had been deleted. BR3.6 was better placed in the Terms of Reference (ToR) so had also been removed.

BR4 was unchanged, with BR5 changes reflecting the change to Authority disapproval. BR8 had also been updated to also reflect this.

Moving to BR9 DMo explained the change ensured the ISE would not be restricted in its observations. He added that DMi had given him a rationale to remove 9.2 but DMo had instead removed the values and thereby made the requirements qualitative rather than quantitative.

BR9.5 had also been changed to reflect the change to an Authority disapproval process.

BR10 had been moved to form BR2.5 as discussed earlier.

BR12 had been amended to refer to the timetable in the Framework.

BR13 had been moved to become BR13.1 as a 'for the avoidance of doubt' statement, noting that IGTs may operate in several LDZs, which he thought was acceptable, though was receptive if it proved to cause issues for the CDSP.

BR14 on IGT Shrinkage had additions for Legal Text (LT) purposes and a statement had been added for clarity that GDN ISC cannot be purchased by IGTs and IGT ISC cannot similarly be purchased by GDNs. DMo also noted that the IGTAD may need to be amended so a note was added here for the lawyers producing the Legal Text.

RHa noted that DMo was distilling what needed to be 'for the avoidance of doubt' statements and what are BRs for LT consideration, which would presumably be reflected in more clarity in

Version 11 of the Modification.

DMo continued his BR review, noting that the Timetable-related text previously in BR15 and BR16 has been moved to BR2.

Beyond BR15 the 'Further solution notes' are provided with all the pieces that had been moved from the BRs discussed detailed here. This included a Glossary intended to assist the Lawyers with all the new Defined Terms created in the Modification.

Once the Proposer has completed his review of the Solutrion Section (section 5), RHa then invited questions from the Workgroup.

TSa asked how the CDSP were looking to ensure the ISE would get the data they required as it was stored in DNs in a way that was not easily replicated or shared with third parties. She added to this the question if related timelines and costs had been considered and stated that she recognised that this was probably a wide discussion point so was happy to defer the discussion to a later Workgroup when she would also wish to pick up a question about one of the BRs.

DMo sought to clarify if her question was in reference to BR12. TSa noted that the BR enabled ISE engagement via the Independent Shrinkage Committee but highlighted that the data required was with the GDNs and moved internally as part of GDN SLM processes that the CDSP was not involved in. RHa noted that BR11 puts the obligation on any party that has the data, not the CDSP.

SH observed that BR11 stated that the data would be provided 'promptly', adding that as the Framework provides timeframes it seemed reasonable to remove this unmeasurable term, to which DMo agreed.

TSa noted references to adding to the DPM which contributed to her question about the data, which ER explained was probably added in the early steps of Modification development and was for an 'avoidance of doubt' statement, as there is probably not a lot of data held by the CDSP of interest for the ISE, so from DPM perspective it probably didn't need much change.

KA requested to record in the minutes for the next discussion that in the Solution Notes there was a section on the Procurement side of the Modification, and from the CDSP perspective this would need some sort of 'carve out' if one procurement exercise was undertaken and an ISE was not found then a second exercise could be considered, but if that also did not result in an appointment the CDSP would not want to go through a third exercise and the matter may need then to come back to Workgroup for another Modification consideration.

ER added that it had been noted that there was a standard three-month hiatus period set as a standard between procurement exercises, but they were not sure why that was the case. She added that the CDSP had drafted some potential wording to use in the Framework with a caveat in the BRs, adding that whilst they did not like to be thinking about the worst-case scenario for everything, it did feel that this was an important one, requiring a steer from the Workgroup to not to keep running procurement exercises without end, and added that they would approach DMo in advance to share their thinking.

DMo noted that there was a further note of procurement, but it did not have a timeframe in which the procurement had to take place, adding that his only challenge would be if this was also true for AUGE and if not why that was the case.

ER acknowledged the question and stated that on the few procurements she had seen she had not seen this rule and believed this had only come up as it had been raised in Workgroup discussions, especially as the ISE is quite a niche role.

SM added that the point was well made but suggested that when using arrangements like the AUGE and PAFA the industry should not be spending its money repeatedly tendering for services with no response, and perhaps the best approach was to amend these as well to a best practice approach.

DMo suggested adding a note that the CDSP could use their discretion in this matter, to which ER responded that the CDSP would share the material they had complied with him to cover the obligations to which KA added that they thought something was needed in the solution rather than just the Framework.

RHa shared that it was necessary to bring this Workgroup to a close at this point, though appreciated that there was still lots more to discuss. She advised that the Workgroup on 06 March would start with a Framework overview and then pick up items 4,7 and 8 from the agenda and when the next formal version of the Modification is issued, would look towards the ROM.

4. Rough Order of Magnitude (ROM)

To be considered on 06 March 2024 Workgroup

5. Consideration of IGT Impacts

This item was not discussed due to time considerations.

6. Legal Text Review

This item was not discussed due to time considerations.

7. Development of Workgroup Report

To be considered on 06 March 2024 Workgroup.

8. Next Steps

To be considered on 06 March 2024 Workgroup.

9. Any Other Business

No other business was raised.

10. Diary Planning

0843 Meetings are listed at: https://www.gasgovernance.co.uk/0843

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme	
13:00 Wednesday 06 March 2024	5 pm Monday 26 February 2024	Microsoft Teams	 Framework Overview ROM (If new version of Mod provided in time) Development of Workgroup Report 	
13:00 Wednesday 03 April 2024	5pm Wednesday	Microsoft Teams	Development of Workgroup Report	

Workgroup 0843 Action Table Minute Reporting Action Meeting Action Owner Status Ref Month Ref Update Date 0101 25/01/2024 2.0 March **Pending** RHa to investigate references RHa regarding what happens if UNCC approval has not been obtained. 0201 23/02/2024 2.0 DMo to ensure messaging as to March DMo **Pending** the intent of the inclusion of Appendix 1, being to reflect the wider challenges of Methane emissions, is consistent. 0202 2.0 **GDNs Pending** 23/02/2024 GDNs to provide collated text March commentary responses to the referenced studies within Appendix 1 for inclusion within the WGR 0203 2.0 RHa to discuss with DMo the **Pending** 23/02/2024 March RHa & format and structure for the DMo inclusion of GDN Commentary on Appendix 1 studies within WGR and DMo's subsequent responses.

UNC Workgroup 0851R Extending the Annually Read PC4 Supply Meter Point (SMP) read submission Window

Thursday 22 February 2024 via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Harmandeep Kaur (Secretary)	(HK)	Joint Office
David Morley (Proposer)	(DMo)	Ovo Energy
Andy Clasper	(AC)	Cadent Gas
Anne Jackson	(AJ)	PAFA
Catriona Ballard	(CB)	Brookgreen Supply
Charlotte Gilbert	(CG)	BU-UK
Dan Simons	(DS)	Joint Office
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
James Lomax	(JLo)	Cornwall Insight
Josie Lewis	(JL)	CDSP
Kathryn Adeseye	(KA)	CDSP
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Martin Attwood	(MA)	CDSP
Marina Papathoma	(MP)	Wales and West Utilities
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSu)	Wales & West Utilities
Tracey Saunders	(TS)	NGN

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate/include detailed content provided, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: https://www.gasgovernance.co.uk/Dist/220224.

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2024.

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed all parties to the meeting.

1.1 Approval of Minutes (25 January 2024)

The previous minutes from 25 January 2024 were approved.

1.2 Approval of Late Papers

No papers for the meeting had been submitted late.

1.3 Review of Outstanding Actions

1201: PAC to consider whether they want staggered benchmarks and if so, does the suggestion on slide 5 work for PAC? If not, can PAC suggest anything else. Consideration of wording in TPD Section M 5.9.4.

Update: Anne Jackson (AJ) confirmed that the staggered benchmarks were discussed during the PAC meeting, however, PAC has not provided a conclusion yet. AJ noted that PAC will consider this further.

Action Carried Forward.

0101: DMo to ascertain whether the data from Product Class 3 needs to be considered.

Update: David Morley (DMo) provided a response to this in a post-meeting note to the previous Workgroup held on 25 January 2024 (https://www.gasgovernance.co.uk/0851/250124) confirming that given that PC3 sites should be retrieving reads regularly for meters that are communicating regularly and as expected, he was not looking to expand the PC3 read window. **Action Closed.**

0102: DMo to arrange a meeting with PAFA and CDSP to discuss any proposed change to UNC Section M 5.9.4.

Update: CDSP and DMo confirmed that they have had offline discussions in relation to this and the outcome is reflected in the slides presented below in item 2.1. **Action Closed.**

2. Review Discussion

2.1 Considerations from Actions Feedback

Josie Lewis (JL) presented the Current Class 4 Read performance and TPD M5.9.4 interaction. JL provided an overview of the performance of Class 4 Non-Monthly sites in submitting an accepted read within the 25 Supply Point Systems Business Day (SPSBD) window.

DMo queried the benchmark in relation to the Class 4 Non-Monthly site performance and asked whether the sites are meant to hit 90%. FC clarified that the performance for non-monthly sites is to get one read per annum into Settlement and after 12 months, the site is counted as needing a reading, on a per month basis. The slides do not show the sites that provide the readings in 8 or 9 months as they never hit the trigger.

SM asked whether the slides present the performance relevant to the requirement. FC confirmed that they do as they relate to the obligation to submit X number of reads where the only thing CDSP can measure is whether the sites get one read per annum.

DMo queried the position with multiple readings. FC explained that non-monthly sites can submit another reading after 25 calendar days of the first read in order to not appear on the performance report as it will be compliant with the requirements. ER further elaborated that if the site sends another reading within 25 days of the last reading, CDSP will not be expecting the reading, and it will be rejected as it is too close to the previous reading.

RHa asked DMo whether this is the data he had asked for. DMo confirmed that the data gives them a good indication as to how well people are submitting reads.

JL explained the background of the current arrangements in place and presented a worked example of the same using obtained reads. ER explained that the example shows how the progression of the reads should look rather than the reads being presented on the same day. DMo noted that his understanding is that A (10 Reads by the 10th day) is not measured. ER confirmed that A is currently not measured. If A is obtained, it will only be looked at, at the end of 25 days. ER noted that this is why they suggested including 'required reads' rather than the current text which says 'obtained reads'.

Anne Jackson (AJ) queried whether this Business Rule for the requirement is going to impact Settlement accuracy as if there is no impact, this would be outside of PAC's mandate. SM noted that as the process is currently set out, he cannot see any impact on Settlement and any need for PAC's involvement. RHa agreed that PAC would only be interested in general performance for context. AJ noted that PAC would be interested in knowing whether the readings are rejected or whether they are used to report. DMo noted that the rule is to submit a valid meter read. AJ pointed out the subtlety in the wording as there is a difference in the readings being obtained and what is on the system.

DMo explained that they are proposing extending the read submission window to 80 SPSBDs so that there is additional time to submit the readings. SM queried whether extending the window to 45 days where parties can only submit on day 40, would limit the risk of backloading and whether extending the window to 80 SPSBDs creates risk around backloading, which would be of relevance to PAC. DMo responded stating that it probably will not if the meter reads are passed through at the time of the reading.

JL presented what the worked example would look like according to the proposed changes, if the PC4 read submission were staggered over 80 SPSBDs.

For further information, please refer to the published slides.

2.2 Assessment of any data available and any further data required

AJ confirmed that PAC has reviewed and approved the Request For Information (RFI) to support Review Group UNC0851R. AJ presented the RFI template providing an overview of the questions covered in the RFI. RJ noted that the RFI calls out Class 4 categories only and looks to understand whether any reads are missing and whether the missing reads impact Settlement Accuracy. AJ highlighted that this review will be confidential to PAFA, and the details of parties will not be shared with other parties as organisations may be hesitant to share data otherwise.

AJ stated that RFI results may be presented in the April 2024 Workgroup as it will go out with a 4-week timeline for responses, after which PAFA will review and anonymise the data before sharing the results. AJ noted that the results may be delayed until May 2024 if PAC wishes to review the results first.

2.3 Workgroup assessment of options for a Modification

DMo presented the proposed solution in the Modification which will look to update TPD Section M 5.9.4. DMo explained that the intention is to have levels for the volume that will be submitted by certain points in time ("staggered benchmarks"). DMo noted that the value of reads and the day by which they are submitted are to be determined based on the RFI, however, his Proposal is currently to extend the submission window to 80 SBSDs.

For further information, please refer to the published slides.

RHa queried where the suggestion from CDSP of 45 SPSBDs fits in, based on data presented to previous 0843 Workgroup meetings. DMo noted that he did not believe this is needed as if they align with electricity, 80 days will be enough time. DMo noted that he may look to change the submission window based on the RFI responses.

SM suggested that the change should be made based on evidence that improves the gas market rather than being reflective of the electricity market. SM noted that if the evidence shows that 45 days is beneficial, SEFE Energy will raise an alternative Modification that is supported by the evidence. SM stated that DMo may change the current window based on the analysis and the analysis may support alignment with electricity, however, the decision should be made based on the evidence.

Given that 0851R is a Review, RHa suggested that DMo start preparing a full Modification in readiness for the next UNC Distribution Workgroup meeting so that it can be discussed in the pre-modification discussions. RHa noted that DMo may wish to close the Review Group and propose the Modification. DMo noted RHa's suggestion.

3. Development of Review Group Report

Deferred to 28 March 2024.

4. Next Steps

The review group will await the result of the RFI and results, after filtering from PAC. The Proposer will endeavour to bring a pre-mod discussion to the March 2024 Workgroup.

5. Any Other Business

The Review Group thanked Anne Jackson for undertaking the large piece of work of collecting the data for the RFI.

6. Diary Planning

0851R Meetings are listed at: https://www.gasgovernance.co.uk/0851R

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue		Workgroup Programme
10:00 Thursday	5 pm Wednesday	Microsoft Teams	•	Pre-Modification Discussion
28 March 2024	20 March 2024	Wildredon Feame		
10:00 Thursday 25 April 2024	5 pm Wednesday 17 April 2024	Microsoft Teams	•	Review RFI results

			Workgroup 0851R Action T	able		
Action Ref	Meeting Date			Reporting Month	Owner	Status Update
1201	11/12/2023	2	PAC to consider whether they want staggered benchmarks and if so, does the suggestion on slide 5 work for PAC? If not, can PAC suggest anything else. Consideration of wording in TPD Section M 5.9.4.		PAC	Carried Forward
0101	25/01/2024	1.3	DMo to ascertain whether the data from Product Class 3 needs to be considered.	January 24	DMo	Closed
0102	25/01/2024	1.3	DMo to arrange a meeting with PAFA and CDSP to discuss any proposed change to UNC Section M 5.9.4.	January 24	DMo	Closed

UNC Workgroup 0862 Amendments to the current Unidentified Gas Reconciliation Period arrangements

Thursday 22 February 2024 via Microsoft Teams

Attendees		
Dan Simons (Chair)	(DS)	Joint Office
Harmandeep Kaur (Secretary)	(HK)	Joint Office
Steve Mulinganie (Proposer)	(SM)	SEFE Energy Limited
Catriona Ballard	(CB)	Brookgreen Supply
Charlotte Gilbert	(CG)	BU-UK
Dave Addison	(DA)	CDSP
Edward Allard	(EA)	Cadent Gas
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
James Lomax	(JLo)	Cornwall Insight
Josie Lewis	(JL)	CDSP
Kathryn Adeseye	(KA)	CDSP
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Rebecca Hailes	(RHa)	Joint Office
Sally Hardman	(SHa)	SGN
Tom Stuart	(TSu)	Wales & West Utilities
Tracey Saunders	(TS)	NGN

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate/include detailed content provided, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: https://www.gasgovernance.co.uk/0862/220224.

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2024.

1. Introduction and Status Review

Dan Simons (DS) welcomed all parties to the meeting.

Steve Mulinganie (SM) provided an overview of Modification 0862, explaining that the Modification proposes amendments to the current Unidentified Gas (UIG) Reconciliation Period arrangements to reconcile UIG to the same months that the energy originated from (instead of smearing over the previous 12 months).

SM advised that the CDSP would be presenting a set of slides, providing an example of the "As-Is" and "To-be" UIG Reconciliation Apportionment process.

Ellie Rogers (ER) requested that the presentation slides be included as an Annex to the Modification, to provide context and to aid understanding. The Workgroup agreed this would be sensible.

1.1 Approval of Minutes (25 January 2024)

The previous minutes were approved.

1.2 Approval of Late Papers

No late papers to approve.

1.3 Review of Outstanding Actions

1102: JO (RHa) to remove generalised Panel questions in the Workgroup Report (WGR). **Update:** Ellie Rogers (ER) explained that the Action was likely erroneous as SEFE had previously raised two Modifications at the same time, one of which was later withdrawn. Action 1102 was raised in relation to the Modification that was withdrawn. ER noted that the action could be considered resolved and asked for it to be closed. The Workgroup agreed. **Closed.**

2. Amended Modification

No Amendments to the Modification were presented.

3. Review of Processes

Fiona Cottam (FC) presented some worked examples of the "As-Is" and "To-Be" UIG Reconciliation Apportionment process to the Workgroup.

FC began by providing some background to the current process and how it is carried out, noting that under the current business rules, UIG Reconciliation (charge type "UGR") is shared out in a standard 12-month "pot" in each LDZ.

FC provided an overview of the changes to the process being proposed by Modification 0862, noting that the Modification seeks to move away from the standard 12-month pot for normal UIG reconciliation. Instead, UIG Reconciliation would be apportioned across the same whole months as the meter point reconciliation that caused it, which could be anything from one month to 48 months.

FC then presented a worked example of a fictional reconciliation for a weather-sensitive site for an 18-month period. This example showed how reconciliation processes assign the actual energy in proportion to the original allocation. I.e. proportionally more reconciled energy is associated to winter months than to summer months.

FC then presented a further worked example of a fictitious LDZ with just two customer groups, one with weather sensitive data and the other with weather insensitive data. This example compared how UGR would be shared under the current arrangements, and under the approach proposed by Modification 0862.

The example demonstrated how, under the proposed approach, the UGR would be shared out over 18 months, with monthly UGR amounts varying in line with the original meter point reconciliation.

FC noted that while the examples in the slidepack were fictitious, the Monthly Reconciliation Report which provides Post-Nexus Reconciliation for all class types split by the original billing month can be found on Xoserve's website (<u>Unidentified Gas (UIG) (xoserve.com</u>).

For more detailed information, please refer to the published slides (<u>0862 UIG Reconciliation</u> Apportionment Examples (16 February 2024).

SM thanked the CDSP for preparing and presenting the examples, noting that they are very useful in understanding the process. SM suggested that inclusion of an additional, 4-month example could also be useful to highlight the difference between the current and the proposed process. The CDSP agreed and took an action to provide an updated presentation with a new,

4-month example included.

New Action 0201: CDSP (FC/ER) to consider the inclusion of a 4-month fictional UIG Reconciliation example in the Annex Slides.

ER noted that while the Modification is relatively simple in what it is seeking to achieve, the confusing part is likely to be the detail of how the process currently works. The Workgroup agreed and noted that the inclusion of the CDSP slides alongside the Workgroup Report should help to provide further context and aid understanding.

4. Business Rules Development

SM advised that the proposed Business Rules are relatively straightforward and are ready for the development of Legal Text. The Workgroup agreed and the Joint Office took an action to submit a formal Legal Text request to Cadent at the next UNC Panel meeting.

New Action 0202: JO to submit a formal Legal Text request to Cadent at the next UNC Panel.

5. Legal Text Review

Deferred to 20 March 2024.

6. Development of Workgroup Report

Deferred to 20 March 2024.

7. Next Steps

The Workgroup will consider the 4-month example of the process and it will review the Legal Text once this is ready.

8. Any Other Business

No other business was raised.

9. Diary Planning

0862 Meetings are listed at: https://www.gasgovernance.co.uk/0862

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme	
10:00 Thursday 28 March 2024	5 pm Wednesday 20 March 2024	Microsoft Teams		Legal Text Review Development of Workgroup Report Review of the processes
10:00 Thursday 25 April 2024	5 pm Wednesday 17 April 2024	Microsoft Teams	•	Completion of Workgroup Report

Workgroup 0862 Action Table								
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update		
1102	23/11/2023	1	JO (RHa) to remove generalised Panel questions in the Workgroup Report (WGR).	January 2024	JO (RHa)	Closed		
0201	22/2/2024	3	CDSP (FC/ER) to consider the inclusion of a 4-month fictional UIG Reconciliation example in the Annex Slides.	March 2024	CDSP (FC/ER)	New Action		
0202	22/2/2024	4	JO to submit a formal Legal Text request to Cadent at the next UNC Panel Meeting on 21 March 2024.	March 2024	JO	New Action		